(c) whether Government propose to fix some priority items in the terms to meet before 31st July, 1992; and

(d) if so, what are the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR): (a) No, Sir.

(b) to (d) Do not arise.

Irregularities committed by Canbank Mutual Funds

569. SHRI KRISHAN LAL SHARMA: Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to a news item that appeared in the *Indian Express*, New Delhi of the 15th June, 1992 captioned "To benefit exclusive brokers CMF manipulated accounts records" wherein it has been stated that Canbank Mutual Fund has committed irregularities;

(b) if so, the amount involved therein;

(c) whether Government have conducted any enquiry in this regard;

(d) if so, the outcome thereof;

(e) if not, the reasons therefor;

(f) the names of officers of Canara Bank involved in the irregularities and action taken against them; and

(g) what steps Government propose to take to safeguard the interest of the depositors?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI DALBIR SINGH): (a) to (g) Information is being collected and will be laid on the Table of the House, to the extent available.

Income tax raid on UCO Bank Chairman

570. SHRI JAGDISH PRASAD MATHUR: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that raids were conducted on the residential premises of the Chairman UCO Bank (Shri Margabanthu) to detect tax evasion and also be unearth unaccounted assets worth Rs. 50 crores;

(b) if so, what are the details thereof; and

(c) what action has been taken to recover income tax from him and also to prosecute him for corruption?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR): (a) to (c) No Income-tax raid has been conducted at the residential premises of Shri Margabanthu. As at present, no assessed income tax is due from him and no case for prosecution has been developed against him so far.

Guidelines for Private Sector to participate in Power Generation

571. SHRI NYODEK YONGGAM: Will the Minister of POWER be pleased to refer to reply to Unstarred Question 188 given in the Rajya Sabha on 25th February, 1992 and state the guidelines framed by Government to allow the Private Sector Undertakings to operate power generation project to meet the power shortages in the country?

THE MINISTER OF STATE OF THE MINISTRY OF POWER (SHRI KALP NATH RAI): Guidelines formulated to encourage private sector participation in electricity generation, supply and distribution are given in the enclosed Statement.

Statement

Guidelines for private sector participation in power generation and distribution

The Indian Electricity Act, 1910 and the Electricity (Supply) Act, 1948 have been amended to widen the scope for private sector participation in power generation and distribution. The guidelines framed to encourage private sector participation provide:

1. Schemes where total outlay does not exceed Rs. 25 crores need not be submitted to Central Electricity Authority for concurrence;

2. Generating Companies can be set up by private entrepreneurs;

3. The following major incentives have been offered:

(a) For both Licence and Generating Companies, the following is permitted:

— All private companies entering the Electricity Sector hereafter will be allowed a debt-equity ratio of 4:1.

— They can raise upto the minimum of 20 per cent of the total outlay through public issues.

— Promoters contribution should be at least 10 per cent of the total outlay.

— Not more than 40 per cent of the total outlay can come from Indian Public Financial Institutions.

— To ensure that private entrepreneurs bring in additionality of resources to the sector; they must find 60 per cent of the resources from sources other than public financial institutions.

— The condition of dividend balancing by export earnings which is normally being applied to cases of foreign investment upto 51 per cent equity will not be applicable to such foreign investments in the power sector.

— The rates for depreciation in respect of assets have been liberalised.

— With the approval of the Government, import of equipment for power projects will also be permitted in cases where foreign supplier's) or agency(ies) extend concessional credit.

— Normative parameters under which generating companies will operate (comparable to international standards) providing for 16 per cent rate of return have been notified on 30th March, 1992.

(b) The specific incentives for Licensees are:

— Licences of a longer duration of 30 years in the first instance and subsequent renewals of 20 years instead of 20 and 10 years respectively as it was before.

— Higher rate of return of 5 per cent in place of the previous 2 per cent above the RBI rate.

— Capitalisation of Interest; During Construction (IDC) at actual cost (for expansion projects also) as against 1 per cent over RBI rate as it was before.

Special appropriations to meet debt redemption obligations.

4. A High Powered Board has been constituted under the Chairmanship of Cabinet Secretary to monitor and provide for faster clearances of private sector power projects.

5. An investment Promotion Cell has been set up, in the Department of Power to provide single point reference facility for prospective investors.

Visit by delegation to U.K. and USA for investment in power sector

572. SHRI SATYA PRAKASH MALAVIYA:

SHRI MOHINDER SINGH LATHER:

SHRIMATI KAMLA SINHA:

SHRI S. MADHAVAN:

SHRI YASHWANT SINHA:

SHRI V. NARAYANASAMY:

Will the Minister of POWER be pleased to state:

(a) whether during the recent visit of high level power delegation to U.K. and USA foreign investors have been shown interest in taking up joint ventures in the power sector in the country;

(b) if so, what are the details thereof; and